

HIPAA Workgroup Charter

Title: Health Insurance Portability and Accountability Act (HIPAA) Workgroup.

Authority: Executive sponsor is Grantland Johnson, Secretary of the Health and Human Services Agency. Burt Cohen will represent Grantland Johnson on issues.

Project Team: The HIPAA Workgroup may involve all *State* departments, *counties and our business partners*. The initial chair will be Ken McKinstry, DMH's CIO.

Role: *To help facilitate the successful implementation of HIPAA and ensure communication and coordination of California's issues in a united voice to national forums*

Statement of Problem or Opportunity: Coordination, communication and planning are needed within the State and with our business partners to implement HIPAA. HIPAA was signed into federal law in 1996 (PL104-191). It requires implementation of federal Department of Health and Human Services (HHS) standards for :

- **Transactions:** Claims and Encounters; Enrollment; Claim Status; Eligibility; Payment/Remittance Advice; Referral Certification; Coordination of Benefits; Premium Payment; Claim Attachment; First Report of Injury
- **Code Sets:** Diseases; Injuries; Impairments; Procedures
- **Unique Identifiers:** Provider; Employer; Health Plan; Individual
- **Security:** Administrative Procedures; Physical Safeguards; Technical Security Services; Technical Security Mechanisms
- **Privacy:** Covered Information; Covered Entities; Disclosures

These standards are being released by the Federal Government in a piecemeal fashion. The first standards released were the Transaction and Code Sets in August 2000, with mandated changes to be implemented by late 2002. The privacy Standards were released on April 14, 2001 with required implementation by April 15, 2003. The standards may significantly impact many health and billing related business and technology processes and procedures. There may be significant work to meet the requirements in the state departments, our business partners, county programs, providers and local programs.

Failure to meet the HIPAA standards may impact billions of dollars in federal funding and our ability to interact with our business partners.

Concerns:

- 1) Issues need to be resolved, documented and shared.
- 2) Resources are scarce. By coordinating and planning our efforts, we may minimize the workloads for our departments and our business partners.
- 3) Timelines are short. Many changes may need to be made by many departments, county programs and providers. Some changes depend on or impact other business partners. These changes need to be coordinated and communicated.
- 4) Successful project management is critical. There are many tasks that must be planned and coordinated among many business partners. Project Management Offices need to be established the departments. A Statewide master Plan needs to be established and monitored with periodic management Status Reports.
- 5) Key departmental staff need to be involved in and aware of important HIPAA developments: National Workgroups, training opportunities, changes in standards, legislation, regulations, policies, etc.
- 6) There may be at least 10 separate major claiming processes in production. Changes to meet HIPAA requirements need to be defined and communicated as these impact many other processes.
- 7) Counties and providers may have conflicting time lines and directions from the various departments if each department independently changes their processes, procedures and systems.
- 8) Departments need a consistent approach to implementing security and privacy processes and procedures. If each of the 120+ State-county systems use unique encryption processes, counties may be unable to support the variety.

- 9) The federal government may establish an infrastructure for provider, employer, health plan and individual identifiers. We as well as our business partners may need a common interface to these processes.
- 10) We may need to coordinate changes in field attributes and definitions. Counties and providers should only have to collect and process using one definition. We need to identify and address areas with no clear translation from current to future definitions.
- 11) We need to share the information discovery and interpretation of HIPAA rules. The Transaction Standard Implementation Guide totals 4,389 pages. This is 1 of 200+ documents available at the HIPAA Website.
- 12) We may need a coordinated approach to implementing changes. Changes may occur on an annual basis, possibly as early as August 2001.
- 13) New code sets do not include local codes that identify many of our usual program services. Departments may need to establish similar solutions and processes to address this and other issues. Also, we may need a united voice in federal requirements, standards and change proposals.
- 14) We need to modify our program processes and supporting systems as few times as possible. There are more than 23 areas for potential changes in the next 2 1/2 years. We need to work to minimize the impact of these changes on our programs and business partners.

Description of the Process to be Improved:

The HIPAA Workgroup would act as a group to coordinate, communicate and plan HIPAA tasks. Currently, each department is starting to establish projects, plans, inventories, impact analyzes, plan for implementation and implement changes as reasonable. In the HIPAA Workgroup, departments may share information and coordinate their efforts to minimize issues. The HIPAA Workgroup might assist in identifying and resolving common issues. The HIPAA Workgroup may share steps to establishing projects, developing inventories and impact analysis information, development of plans, monitoring project progress and addressing issues. Processes may be proposed to ensure that processes and procedures are tested and ready for implementation. Also, the HIPAA Workgroup may give a united voice in the national workgroups and for responding to proposed federal requirements, standards and changes.

Desired Outcome: Ensure coordination, communication and planning among the various departments and our business partners as we implement HIPAA.

Customer and Supplier Contact: Regularly scheduled meetings of HIPAA Workgroup members. Establish regularly scheduled meetings and communications with our business partners.

Expected Project Duration: Through 2005.

Other Resources: Training classes and contractors if available. Involve HIPAA experts and industry representatives and business partners.

Work Plan:

Every other week meetings	<p>HIPAA Workgroup Meetings</p> <p>Finalize charter, scope, roles and responsibilities, a plan and main tasks, team members and participants, and a method for communication and to share information</p> <p>Report progress and issues to Executive Management</p> <p>Share resources to address issues</p>
Every 3 months	<p>Information Sharing Meetings</p> <p>Meet with representatives of counties, business partners and providers to discuss changes, planning and implementation issues</p>
12/00	Initiate a HIPAA Inventory Process
2/01	Initiate a HIPAA Impact Analysis for impacted processes
2/01	Initiate a HIPAA Project Plan for impacted processes

